Government of
Saskatchewan

2005 – 2006
Annual Report

Saskatchewan
Information
Technology Office

106-07035/

Annual Report
2005 – 2006

Information Technology Office

for the fiscal year ending
March 31, 2006

Published by Authority of
The Honourable Andrew Thomson
Minister Responsible for Information Technology

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This annual report is also available in electronic format from the department's Web site at **www.ito.gov.sk.ca**.

Letters of Transmittal

Her Honour the Honourable Dr. Lynda M. Haverstock
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

I respectfully submit the Annual Report of the Information Technology Office for the fiscal year ending March 31, 2006.

Andrew Thomson
Minister Responsible for Information Technology

The Honourable Andrew Thomson
Minister Responsible for Information Technology

Dear Sir:

I have the honour of submitting the Annual Report of the Information Technology Office for the fiscal year ended March 31, 2006.

Respectfully submitted,

Don Wincherauk
Deputy Minister /
Chief Information and Services Officer

Introduction

This Annual Report provides performance and financial results for the Information Technology Office (ITO) for the 2005-06 fiscal year.

The ITO continued to undergo major changes during the reporting year. The department expanded significantly in size as it brought more government departments and agencies into the IT Service Delivery Partnership.

Under its mandate to transform IT service delivery within executive government, the ITO continues to consolidate the IT services of departments and agencies. This consolidation began to take shape in the fall of 2004, with "service delivery partnership agreements" being signed with four departments during 2005-06. They included:

- Finance;
- Executive Council;
- Learning; and
- The Public Service Commission.

This resulted in the ITO being responsible for the service needs of 14 government departments and agencies in total. The department now provides IT services to more than 4,000 government staff. The remaining government departments and agencies are expected to join the IT Service Delivery Partnership by the end of the 2006-07 fiscal year.

With the publishing of its first Performance Plan in 2005-06, this is the first opportunity the ITO has had to report on the results of that plan and to fully support the implementation of the government's accountability framework. This report describes the actual results of the key actions included in the ITO Performance Plan for 2005-06. The department's 2006-07 Performance Plan was released with the provincial budget on April 6, 2006. Both Performance Plan documents are available online at **www.ito.gov.sk.ca**.

Who We Are

The Information Technology Office's (ITO) mandate is to provide information technology services, lead IT and service delivery transformation, in addition to coordinating and implementing an integrated approach to information technology, information management and data security throughout all government departments.

Government is using IT to improve internal business processes, provide efficient public services, improve the delivery of citizen programs and services and create a climate for a prosperous IT sector that supports economic growth. It is also important to ensure that IT service delivery is measured and that accountability practices, processes and standards are in place. As a central agency, the ITO manages government's corporate IT agenda and is responsible for the activities that help government meet its IT goals.

The ITO's activities are grouped into four main areas:

- Developing government-wide IT policies and standards;
- Leading IT governance and coordination;
- Creating a climate for a prosperous IT industry; and
- Providing IT services.

Developing Government-Wide IT Policies and Standards

This includes activities related to developing strategies, policies and standards for government-wide IT, information management (IM), improved citizen services, broadband infrastructure, security, geomatics (technology-based geographic information) and telecommunications. It also includes maintaining the Government of Saskatchewan Web site and liaising with other levels of government on IT-related issues.

Leading IT Governance and Coordination

This includes developing, implementing and managing government-wide IT governance processes and facilitating client department IT governance. It also includes activities related to managing relationships with clients, leading or coordinating government-wide IT and provincial geomatics initiatives, as well as providing business improvement services for client and cross-departmental initiatives.

Creating a Climate for a Prosperous IT Industry

The ITO is a primary contact between the IT industry and government. A strong IT sector will also support growth in our traditional industries. We hold formal consultations with representatives from the IT industry, analyze industry data and trends, and provide opportunities for the IT industry to leverage their knowledge and expertise in providing innovative solutions that support government's program and service delivery needs.

Providing IT Services

This involves activities related to providing all IT services to departments in the ITO Service Delivery Partnership, including operating and managing IT infrastructure (networks and servers), ensuring data security, providing help desk services, developing IT applications, providing project management expertise on all IT projects, as well as managing, procuring and distributing IT hardware and software. The ITO is currently providing IT services to over 4,300 clients in 15 other departments and agencies.

The number of government organizations receiving IT services from the department grew by four during the reporting year as the ITO continued its plans to bring all executive government departments into the IT Service Delivery Partnership by March 31, 2007.

As of March 31, 2006, the ITO had 177.9 full-time equivalent (FTE) positions based in Regina, Saskatoon, Prince Albert, Swift Current and Yorkton. After seasonal adjustments, the ITO has the youngest overall staff in executive government. The number of ITO staff and clients will change over the coming year as additional departments join the ITO service delivery partnership.

2005-2006 Results at a Glance

Summary of Performance Results

The department continued to undergo major changes this year as the consolidation of executive government IT services under the umbrella of the ITO advanced at a rapid pace. Major initiatives were also undertaken in the department's other mandate areas, with the highlights of the most significant performance results shown below.

Goal 1 - World class and cost-effective IT service delivery

- Four major government departments signed service agreements with the ITO and were brought into the IT Service Delivery Partnership. The department now provides all of the IT services to 15 other government departments and agencies, making it the largest IT service organization in government.
- The ITO moved its server and core network equipment to the ISM data centre in Regina. The centre provides state-of-the-art security and privacy for government systems and information, and is a crucial part of the services provided to government departments and agencies under the IT Service Delivery Partnership arrangement.
- A government-wide Business Advisory Council (BAC) was established to ensure that IT initiatives and expenditures deliver value and enable the effective delivery of government programs and services. The BAC helps to ensure that IT is aligned with the business of government.
- The department spearheaded development of an annual Call for IT Initiatives process, a new corporate planning and decision-making process for major IT investments in executive government. "Major" IT investments are defined as those with an estimated value greater than, or equal to, $250,000, or assessed as medium to high risk, or utilizing emerging or non-standard technologies.
- The ITO negotiated an enterprise-wide software licensing agreement with Microsoft Canada that greatly reduced the overall software licensing costs for departments and agencies.

Goal 2 - An environment that supports a prosperous IT industry

- The ITO supported the work of the Minister's Advisory Council on Information Technology, which presented its final report to the Minister in October 2005. The report contains 15 recommendations aimed at creating an atmosphere conducive to growing the IT sector in Saskatchewan.
- The ITO hosted the "Next Steps" IT industry symposium to gather further input from sector leaders on how best to grow the sector, and to identify the priority areas of industry.
- The ITO spearheaded the development and passing of legislation that gives title protection to the Information Service Professional (I.S.P.) designation and provides a code of conduct and ethics for IT professionals.

Goal 3 - Technology enables better government program delivery and citizen services

- The ITO developed a citizen service transformation strategy, including specific service improvement criteria that will support efforts to prioritize service initiatives and guide service transformation.
- The ITO worked with a private sector partner to develop a strategy for Single Window Government, a Saskatchewan Government vision for the future, and a roadmap to achieve that vision. The work was based on the experiences and best practices of other jurisdictions.
- The department initiated a pilot project to assess the feasibility and determine if there is a business case for replacing the current government telephone system with newer Voice over Internet Protocol (VoIP) technologies.
- The ITO created an annual Call for IT Initiatives process which facilitates

government-wide efficiencies and citizen service improvements by helping departments identify opportunities for collaborating on IT projects that address similar business and client needs.

Goal 4 - Government's data is protected

- The ITO has assumed responsibility for the IT system security of all its partner organizations, providing a better coordinated approach to security procedures and issues. Security agreements are being negotiated and signed with partner departments as they join the partnership.
- The ITO developed government-wide security policies using international standards, industry best practices and manufacturers' recommendations. The policies include risk management, user access controls, personnel controls and physical and environmental controls.

Summary of Financial Results

The 2005-06 department expenditure budget was $4.587 million, plus special warrant funding of $242,000. Special warrant funding was required to provide information technology services to two external agencies and to provide for the transfer of positions into the Information Technology Office. The additional funding did not impact the General Revenue Fund because there was a corresponding reduction in other departments and increased revenues from two external agencies.

Total 2005-06 expenditures were $4.793 million, a variance of $36,000 from the revised estimates. The significant variances are explained in the expenditure table on page 21.

There was no revenue budget in 2005-06, but the ITO deposited $91,000 of revenue into the General Revenue Fund. This revenue resulted from recovering costs of providing IT services to two external agencies.

The ITO budget included 177.9 full-time equivalent (FTE) positions.

2005-06 Performance Results

The following section provides detailed information on the progress that we have made towards our longer-term goals and objectives.

Annual performance information is used to assess overall progress towards goals and objectives each year and, in turn, to inform future plans and actions.

The key actions originally presented in our 2005-06 Performance Plan are listed below, followed by a report on our actual progress. Actual results information is included for all key actions. Due to a major change in the department's mandate, direction and business goals, our 2005-06 Performance Plan did not include published performance measures. However, in an effort to meet the government's goal of full accountability for all department actions, this report sets out baselines for performance measures that have since been established for the departments goals and actions, wherever available. These performance measures are outlined in the department's Performance Plan for 2006-07, which is available at **www.ito.gov.sk.ca**.

Goal 1 - World class and cost-effective IT service delivery

Objective 1 - Reduced IT support and infrastructure costs for government

Consolidation of IT service delivery is occurring in jurisdictions and agencies all over North America. Governments recognize that IT consolidation will increase security while reducing IT service delivery costs and creating an opportunity to reallocate savings to new applications or processes that improve program delivery and citizen services.

The ITO is pursuing IT consolidation using the "vertical" integration model. Under this model, the ITO takes over all aspects of IT service delivery (help desk, infrastructure and application development) for departments that want to join the IT service delivery partnership. The ITO is confident that this model will provide tangible benefits in resource allocation, cost savings, security, risk management, strategic application development and better service delivery.

An initial investment is required to incorporate departments into the ITO service delivery partnership because some departments face a cost to implement standard infrastructure, hardware and software, and to upgrade legacy applications. The ITO uses a Total Cost of Ownership (TCO) model, which focuses on software and hardware standardization, to lower overall support costs. The ITO service delivery model works with strategic partners in using consolidated infrastructure (networks and servers) and software licensing, as well as common application development processes to reduce IT service delivery costs.

Implementing best practices in project management ensures that the business requirements, roles, responsibilities and resources available to complete IT projects are clearly outlined and monitored. This helps limit the risk of increases in project scope, cost and schedule.

Key Results

Integrate six departments into the ITO service delivery partnership.

- Four major government departments signed service agreements with the ITO and were brought into the IT Service Delivery Partnership. The target was not fully met due to the enormous effort required to integrate larger organizations like the Department of Learning.

- The department now provides all of the IT services to 15 government departments and agencies, making it the largest IT service organization in government. The department is confident that it can meet its long-term goal of integrating all executive government departments into the service partnership by March 31, 2007.

- Savings and deferred costs of $5.67 million are already identified with more to come as consolidation proceeds. Annual IT savings of current partner departments will be $5.6 million lower than their historical averages by 2007-08, resulting in a reduction of the average annual IT costs per individual government user of 12 per cent.

Resolve 80 per cent of all service desk incidents on the first call.

- The target was slightly exceeded overall for the reporting year, with 81 per cent of service desk incidents resolved on the first call. Due to the newness of the organization and the rapid pace of IT consolidation, only 62 per cent of calls were being resolved on the first attempt at the beginning of the reporting year. However, changes were made in mid-year that resulted in a vastly improved resolution record of more than 97 per cent in the last quarter of the year.

Ensure the ITO network is available to its clients for 99.5 per cent of working hours.

- Network monitoring and reporting tools designed to monitor all network connections were implemented in order to keep track of downtime for all partner agencies. The system was instituted so that changes to systems or networks could be made if required. The goal was achieved, with the network available to all clients during the reporting period 99.96 per cent of the time.

Relocate the ITO data centre to a facility that provides better security and reliability.

- The ITO signed a contract with ISM to host a new data centre, which was built by ITO technical staff. ISM was chosen because it provided the best price and the best facilities, and also had the most experience providing co-location data centre facility services. Security was a major consideration in awarding the contract. ISM's security practices have been subject to an independent audit by Deloitte and Touche.

- The data centre has state-of-the-art security features, including controlled access and video surveillance. The ITO has also installed its own video cameras in the data centre.

Meet service level agreement performance targets for all departments in the ITO service delivery partnership.

- The ITO met all service level agreement performance targets except for:
  - Establishing new users within 5 days, 73 per cent actual compared to a 90 per cent target; and
  - Installing hardware and software within 5 days, 67.5 per cent actual result compared to a 90 per cent target.

  In both cases a North American shortage of some computer hardware impacted the ITO's ability to meet these service level targets.

  A new contract for supplying desktop computers will include provisions to mitigate the impact of potential supply shortages.

Implement a Microsoft Enterprise Software Licensing Agreement, which will reduce IT service delivery costs for executive government, Crown Corporations and, potentially, municipal governments.

- The ITO negotiated an enterprise-wide software licensing agreement with Microsoft Canada that greatly reduced the overall software licensing costs for departments and agencies. The ITO estimates the agreement will save executive government between $1.0 million and $1.5 million per year on licensing core Microsoft software products. The licensing cost for each desktop is 35 per cent lower than previous licensing agreements.

- The licensing agreement also provides for standardization of desktops across government – an important aspect of delivering seamless IT services to all government organizations.

Measurement Results

Number of server rooms, IT organizations, servers and help desks.

The ITO is establishing the following baseline information for this performance measure:

Server rooms	–	18	(April 2005)
Servers	–	438	(April 2003)
Help desks	–	12	(April 2003)
Number of IT organizations	–	13	(April 2003)

[Source: ITO Internal Data]

Per cent of all service desk resolvable incidents resolved on the first call.

Just over 81 per cent of incidents were resolved by the Service Desk on the first call in 2005-06. Changes were made during the year that should enable the percentage to improve in future years. This establishes the baseline for this performance measure.

Per cent of clients satisfied with the ITO service delivery.

The ITO will conduct user surveys of its partner departments every six months, with the results of the first survey available in 2006-07.

Objective 2 – Be accountable to our stakeholders and clients

The ITO implemented a new enterprise governance model to ensure that IT resources are deployed efficiently and are supporting government's strategic objectives.

Under this model, a Management Services Council (MSC) provides strategic direction, central oversight and makes recommendation on major IT applications. A Business Advisory Council (BAC) ensures that department initiatives support government's goals and promotes cross-departmental initiatives that address common business issues. Within each department, Information Technology Management Committees (ITMCs) guide department IT investments to ensure that IT initiatives have a solid business case and are aligned with department and government priorities.

Key Results

Complete implementing a new IT governance structure for executive government.

- A government-wide BAC was established to ensure that IT initiatives and expenditures deliver value and enable the effective delivery of government programs and services. The BAC helps to ensure that IT is aligned with the business of government.
- The BAC is chaired by a member of the MSC, co-chaired by the Deputy Minister of the ITO, and includes Assistant Deputy Ministers or Executive Directors from departments.
- BAC members do not represent their department's specific views or positions. The council's roles and responsibilities are to:
  - Take an enterprise view of IT;
  - Facilitate collaboration among executive government departments and agencies to ensure achievement of government's goals and objectives;
  - Identify business opportunities that support enterprise-wide goals;
  - Provide MSC with recommendations on major IT investments;
  - Monitor the risks and overall performance associated with major IT initiatives and resolve issues before they become critical; and
  - Provide business input on IT infrastructure standards and architecture standards.

Develop and implement a new central planning and decision-making process for major IT initiatives to ensure they support government's strategic objectives.

- The ITO spearheaded development of an annual Call for IT Initiatives process. The Call for IT Initiatives is a new corporate planning and decision-making process for ***major*** IT investments in executive government.
- "Major" IT investments are defined as those with an estimated value greater than or equal to $250,000, or assessed by a department's ITMC as medium to high risk, or utilizing emerging or non-standard technologies in the areas of:
  - Development, maintenance and/or enhancement of business applications; or
  - Purchase of a software package to support a business application.
- Departments are required to submit their major IT initiatives, in the standard business

case template that has been developed, to the ITO for review by the BAC and the MSC.

Develop and implement standard business case guidelines and supporting materials for departments to assess the viability of their IT initiatives.

- Standard business case guidelines, along with a wide array of general and specialized information, have been developed to assist departmental resources as they prepare business case submissions related to the Call for IT Initiatives. This material has been distributed to departmental business staff and made available to all departments on the ITO's intranet site.

Offer four workshops to assist departments in using the business case guidelines.

- To help build capacity within departments to develop business cases, the ITO sponsored two different kinds of business case workshops in June 2005 – an Executive Overview Session (two workshops) and a Detailed Business Case Workshop for staff developing business cases (two workshops). Over 60 staff from across 17 departments and agencies attended the workshops.

Facilitate the development of IT governance processes within executive government departments to guide IT investment, manage risk and monitor performance.

- As part of the IT governance process, the ITO has helped departments establish ITMCs to manage internal IT governance by directing, guiding and leading IT initiatives within the department. The ITMC ensures that the department's IT initiatives and services are aligned with the department's and government's strategic direction.

- ITMC membership generally reflects the department's diversity and includes representatives from the Executive Management team, as well as key program or business areas. The responsibilities of an ITMC include:

  - Developing and maintaining the department's IT governance, which includes guiding all IT investment, enforcing all IT standards, monitoring IT performance, and ensuring IT initiatives are aligned with strategic business objectives;
  - Developing and maintaining a multi-year strategic IT plan and an annual IT work program;
  - Guiding the activities of IT services providers;
  - Approving and prioritizing all IT business initiatives within the approved IT funding allocation;
  - Considering and promoting opportunities for government-wide or enterprise IT business initiatives;
  - Developing and approving policies, standards and guidelines with respect to the management and use of IT assets that are consistent with government-wide practices; and
  - Communicating ITMC activities and decisions to the department.

Develop processes to monitor and report on the results of major IT initiatives.

- A new *Central Reporting Framework for Major IT Initiatives* was developed in February 2006. The Framework outlines new reporting requirements for departments with major (i.e., value over $250,000) IT projects underway. The Framework will be issued to departments early in the 2006-07 fiscal year.

Measurement Results

Number of major IT initiatives that were deferred for further business analysis through the central review process.

The 2005-06 baseline is eight (8) for this performance measure.

Eight submissions with a value of close to $20 million considered during the 2005-06 Call for IT Initiatives process were deferred for future consideration because the business case was

inadequate, an existing solution could be leveraged to accomplish the same goal, or the potential existed for the project to be applied enterprise-wide. Twelve submissions, with a value of close to $7 million, had sufficient information to proceed for funding approval.

Objective 3 - Provide IT infrastructure that is energy efficient

According to the federal government's Office of Energy Efficiency, computers and other types of office equipment are among the fastest growing sources of energy consumption in Canada. With energy costs rising, and mindful of commitments to decrease energy consumption, governments are purchasing energy-efficient equipment and promoting energy-saving habits among users.

The ITO helps support the government's efforts to build a green and prosperous economy by ensuring that it purchases energy-efficient computer equipment from Energy Star partners. Energy Star computers are identical to standard computers, except that they enter a low power or "sleep" mode when not being used. These computers use 70 per cent less electricity than those without enabled power management features.

The ITO also conserves energy by having the capacity to turn on computers remotely when it needs to add or change software. This means that software updates can occur outside of working hours to minimize user disruption and that users do not have to leave their computers running for these updates to occur.

Key Results

Develop and implement guidelines for executive government to conserve energy when using computer equipment.

- Currently, laptops and monitors supplied by the ITO are set to go in to an energy-saving "hibernation" mode after a defined period of inactivity.
- The ITO developed a Request for Proposal (RFP) for supplying desktops, laptops and monitors over the next three years that ensures equipment complies with current industry standards for environmental protection.
- In 2006-07, with a new desktop standard, the ITO will develop educational material related to conserving energy when using computer equipment.

Educate employees about the economic and environmental benefits of using Energy Star equipment appropriately.

- A formal education program has not been developed. This will be addressed in the 2006-07 fiscal year in conjunction with a new standard for desktop/laptop hardware.

Revise purchasing or procurement specifications to ensure that new computer equipment meets Energy Star specifications.

- The ITO's RFP to supply desktops/laptops for executive government over the next three years included a mandatory requirement that equipment meet Energy Star ratings. The RFP evaluation criteria also rated environmental factors like energy efficiency, recycled materials and environmentally-friendly manufacturing.
- The ITO's current data storage standard is a Storage Area Network (SAN). The ITO developed an RFP for an enterprise data storage solution that was more cost-effective and provides more efficient management of data storage. A Network Attached Storage was selected, which will allow the ITO to meet current and future clients' data storage needs while reducing costs, power consumption, cooling and space requirements.

Develop a computer recycling program to donate used computers to schools.

- Government's current computer disposal policy requires the destruction of all computer hard drives to ensure the protection of personal information. Without the hard drive, government's used computer assets are of little value to schools. The ITO started working with Saskatchewan Property Management to modify the computer disposal

policy, so that hard drives could be cleaned using a non-destructive software tool and the computers would retain their value for use by schools.

Measurement Results

Per cent of desktops and laptops that are Energy Star compliant.

The 2005-06 baseline is 99 per cent.

The vast majority of computer desktops are already Energy Star compliant, with 99 per cent certified compliant. All desktops that do not meet the standard will be replaced when they reach the end of their three-year life cycle.

Goal 2 - An environment that supports a prosperous IT industry

Objective 1 – A collaborative relationship with the IT industry that promotes sector development

IT is a key strategic sector not only because of its own growth potential, but because it enables competitive improvement opportunities across other sectors, including government. A sustainable Saskatchewan-based IT industry that can export its services anywhere in the world will support economic growth and create jobs in Saskatchewan.

Saskatchewan is home to branches of large multi-national IT corporations, as well as many smaller IT companies, that are capable of providing world-class IT services to clients within and outside of Saskatchewan.

In 2004, the government announced that the ITO would work with SaskTel to expand CommunityNet and commercial broadband to all communities of over 200 people by 2007. This means 86 per cent of the population – farmsteads, businesses, schools, libraries, health centres and homes – will have access to high-speed Internet. CommunityNet and SaskTel's commercial broadband Internet services make Saskatchewan the most wired jurisdiction in North America.

Saskatchewan also has the necessary educational system, work force, industry activity and public sector involvement to become internationally recognized as a diverse and vibrant IT centre of excellence.

These elements position Saskatchewan to create a climate for growth in the provincial IT sector and we are working with the IT industry to identify and implement the best growth strategies.

A Minister's Advisory Council (MAC) on Information Technology was established to provide the government with expert independent advice on making Saskatchewan a global leader in the knowledge-based economy. The Council has presented its report to the Minister, focusing on the following areas:

- *Capacity building* – strengthening infrastructure, education and job creation opportunities;
- *Commercialization* – promoting collaboration between research and industry; and
- *Capitalization* – attracting private venture capital.

Key Results

By December 31, 2005, respond to the recommendations outlined in the final report of the MAC.

- The ITO hosted an IT symposium (as recommended by the MAC) in November 2005, with representatives from IT companies, post-secondary institutions and key government departments to gather further input into what the sector viewed as the priority items stemming from the MAC report. A report of the IT symposium proceedings was prepared and distributed to sector participants in March 2006.
- Preliminary work has been completed on all of the recommendations in the report, including priorities identified by industry such as:

- Continuing to build broadband infrastructure;
- Developing a strategic government procurement policy that fosters innovation and growth; and
- Implementing new rules surrounding intellectual property for IT that will present new marketing and export opportunities for IT businesses.

- The ITO has developed an action plan and is working on addressing the MAC report recommendations.

Provide opportunities for Saskatchewan youth by hiring six Aboriginal students enrolled in post-secondary IT programs and three students enrolled in policy or business administration programs.

- The ITO offered two student work-term programs to introduce young people to IT career possibilities, particularly for Aboriginal students. Four of six Aboriginal-targeted positions were filled. In addition, three Business Administration student term positions were filled. The ITO had difficulty recruiting two additional Aboriginal IT students.

Hold a follow-up symposium with IT industry representatives to identify areas of collaborative action that contribute to a prosperous IT sector.

- The ITO hosted the "Next Steps" IT industry symposium to gather further input from sector leaders on how best to grow the sector, and to identify the priority areas of industry. Seventy representatives from IT companies, post-secondary institutions and key government departments attended the symposium. The IT sector representation included First Nations-developed companies, independent companies located in small centres in all parts of Saskatchewan and major urban-based IT firms. A report on the results of the symposium was compiled and distributed to conference participants and other key stakeholders.

Develop legislation that gives title protection to the Information Service Professional (I.S.P) designation and provides a code of conduct and ethics for IT professionals.

- The ITO spearheaded the development and passing of legislation that gives title protection to the Information Service Professional (I.S.P.) designation and provides a code of conduct and ethics for IT professionals. An I.S.P. designation means an IT professional has attained the highest standards of quality, knowledge and ethics in the IT industry. As an employer or a consumer of IT products, the I.S.P. designation offers a guarantee that proper procedures and processes are followed, and that the project meets the highest possible standards for the IT industry.

Develop a profile of the Saskatchewan IT industry and identify areas of potential growth.

- An independent vendor developed a profile of the Saskatchewan IT industry. Under the direction of the Minister's Advisory Council on Information Technology, specific benchmarks were developed and reported. The ITO will update these benchmarks on an annual basis to track the growth of the IT industry in the province. The next update is scheduled for October 2006.

- The Minister's Advisory Council's final report, *Reaching Forward, Looking Outward*, was submitted to the Minister Responsible for Information Technology in October 2005. The report summarizes what the Council heard from industry experts and government officials during the course of its deliberations, and what it learned through an extensive research process. It contains the Council's observations on the most effective ways to encourage IT sector growth in Saskatchewan, and includes fifteen recommendations on government actions that could potentially provide the greatest opportunity to encourage that growth. The MAC report is available on the ITO Web site at **www.ito.gov.sk.ca**.

Objective 2 – Provide the IT industry with opportunities to add value and innovation to government service delivery

Strategic government investment in IT infrastructure can improve citizen service delivery and create opportunities for private sector organizations to market innovative solutions. Government needs to focus on building partnerships that allow it to leverage the private sector's knowledge and innovation to provide business or technology solutions.

Given the complexity of the IT environment and the speed of technological change, more responsive processes for IT procurement and sourcing are required to meet the needs of industry and government. This will help the IT sector and government develop partnerships for creative solutions that support government's program and service delivery needs.

Key Results

Develop a sourcing strategy, which identifies opportunities for the private sector to deliver IT services for government.

- The ITO is exploring ways to involve industry in the procurement process at an earlier stage than current practice. This will encourage industry to develop innovative solutions to help government deliver its internal and public services. The ITO believes this approach will provide more cost effective solutions for government, while providing the IT industry with opportunities to develop innovative IT solutions that can be marketed outside Saskatchewan.

  The ITO has done some preliminary work and continues to collaborate with Saskatchewan Property Management on a new formal process for procuring the government's IT requirements.

- The ITO awarded several significant contracts that fit with its strategy of involving the private sector in delivering IT services that provide a service that leverages their knowledge, expertise, facilities or investment. For example:
  - ISM is providing data centre facilities, while the ITO continues to own and operate the equipment in the data centre;
  - CGI undertook important research projects related to Citizen Service Transformation strategy;
  - NexInnovations is providing administrative services related to the Microsoft Licensing Software Agreement; and
  - EDS developed a prioritization process for assessing and ranking a portfolio of IT initiatives.

Work with industry and Saskatchewan Property Management to implement IT procurement "best practices".

- In March 2006, officials from the ITO and Saskatchewan Property Management (SPM) held consultations with the IT industry to discuss the government's existing IT procurement framework and options for improving the efficiency and effectiveness for both government and industry.

- To address the issues identified by the IT sector, the ITO is working with SPM on several specific actions related to intellectual property, value-added procurement, an advance RFP consultation process, and an unsolicited proposal policy.

Establish an IT industry database that helps IT companies connect with buyers of IT products and services.

- A business case for an IT Industry database was completed and the database should be developed in the 2006-07 fiscal year.

Pursue private public partnership opportunities with the Saskatchewan IT sector to address government-wide business issues.

- The ITO did not pursue any private-public partnerships in 2005-06. As new IT initiatives are identified through the enterprise governance process, the ITO will identify opportunities where private public partnerships

can be considered to address government-wide business issues.

Provide the public with free access to government's geomatics data.

- Major progress has been made with most government geomatics data available at no charge to the public. Some geomatics data, under the ownership of the Information Services Corporation (ISC), is still to be made available at no charge, which is expected to occur by the end of the 2006-07 fiscal year.

Develop a business case for a geomatics data portal that would improve access to geomatics data.

- An initial business case was developed and approved by the Deputy Minister's Geomatics Council. The business case is expected to be finalized and submitted for consideration in the Call for IT Initiatives process.

Measurement Results

Per cent of the IT services delivered by the private IT sector for the ITO service delivery partnership.

In 2005-06, the IT sector was involved in delivering 57.7 per cent of the ITO service delivery partnership's total IT spending. This will be the baseline for this performance measure.

Goal 3 - Technology enables better government program delivery and citizen services

Objective 1 – Citizens can interact with government services through multiple channels

Technology has given citizens the ability to complete a wide range of tasks using a variety of channels (phone, fax, in person and Internet). Market research clearly shows that citizens expect to access government programs and services using the channel of their choice. However, providing consistent and seamless service across different channels can require the integration of multiple business processes and IT systems.

The ITO is working with other government agencies to develop a Citizen Service Transformation strategy which will make government services more accessible, easier to deal with and more responsive to public needs. This strategy will benefit Saskatchewan citizens, businesses and organizations by improving their interactions with government and making it easier to find and use government information and services.

Key Results

Develop a citizen service transformation strategy to guide government's multiple channel service delivery initiatives.

- The ITO developed a series of recommendations to implement a citizen service transformation strategy, including specific service improvement criteria that will support efforts to prioritize service initiatives and guide service transformation.

- The ITO leveraged the expertise of CGI from their work with Service New Brunswick and Suffolk (UK) to develop a strategy for Single Window Government, a Government of Saskatchewan vision for the future, and a roadmap to achieve that vision.

- The first phase of the work defined the current state of government service delivery. An inventory of over 1100 services from 19 departments was created and analyzed. It found that existing service delivery channels are not matched to the needs of citizens or businesses so the public has to adjust their service expectations to our service offerings.

- The second phase fully developed the strategy, vision and roadmap. A plan was developed to proceed with an incremental approach that will:
  - Focus on identifying high priority service improvement projects;
  - Validate the importance of projects with Saskatchewan citizens;

- Take manageable steps toward improving service; and
- Provide multiple decision points and off-ramps to ensure stakeholder buy-in and address government priorities.

Implement three citizen service transformation pilot projects to demonstrate the benefits of multiple channel service delivery.

- The ITO led the development of a strategy for improved service delivery through the Citizen Service Transformation strategy. Although the lead role for this initiative has now been placed outside of the ITO, the department, nonetheless, identified and has begun work on a number of pilot projects intended to improve government service delivery to provincial residents and businesses, including:
  - *Enterprise Revenue Project:* Preliminary work and discussion began on contracting a private consulting firm to assess the feasibility of developing an enterprise-wide revenue management system that could be used by all executive government agencies that collect revenue. Benefits of such a system would include easier access and convenience for citizens and business clients, higher client satisfaction levels, better analysis of data and understanding of clients, lower maintenance and operational costs, along with streamlined revenue management processes across departments.
  - *Life Events Portal:* Intended to link government services with those of the Cities and CIC Crown corporations through a web portal designed around citizen life events (e.g. buying a house, having a baby). Preliminary planning work was completed, but the initiative is now on hold pending finalization of a government service improvement strategy.
  - *Content Management System:* Preliminary work began on exploring options for a Web Content Management System that would provide consistency and improved public usability for government Internet Web sites and online service offerings.

Work with the federal government and Keewatin Career Development Corporation (KCDC) to expand broadband access to residents of remote northern Saskatchewan First Nations communities.

- The 2005 federal election introduced significant uncertainties in the future of most federal funding programs, including broadband offerings. Funding for staff and existing programs delivered by the KCDC became questionable, and KCDC was forced to focus on maintaining existing services rather than on expanding services. Recent developments indicate that new federal funding sources are being developed and the ITO will continue to work with KCDC to develop opportunities.

Develop a business case for an Internet-based map portal that would improve public access to government's geomatics data.

- This is the public component of the business case to develop a geomatics data portal that will improve access to all government geomatics data. The initial business case has been developed and the ITO is working with the industry to refine the costs and benefits before finalizing the business case and submitting it through the Call for IT Initiatives process.

Objective 2 – Integrated and improved government business processes through proper utilization of technology

Effective utilization of government's IT infrastructure and assets will allow government to improve internal process efficiency and improve the public's access to government services and programs. As new applications are developed, an opportunity exists to review and redesign current business processes to ensure that they focus on meeting the public's service delivery needs in an efficient and effective manner.

There is also an opportunity to develop or implement common applications across executive government to support similar business functions. This would leverage software investment,

standardize business processes and reduce application support costs.

Key Results

Develop a prototype map portal that facilitates sharing geomatics information between government departments.

- The prototype was developed and used to support the business case for development of a publicly accessible Internet-based geomatics map portal. It successfully demonstrated the feasibility and utility of the proposed portal functions.

Facilitate collaboration between government departments and agencies on common geomatics initiatives.

- Collaboration on common geomatics initiatives within government is an ongoing effort. Some successes in the 2005-06 fiscal year include:
    - Preparation of three cross-departmental GeoConnections proposals. An Emergency Management Situation Awareness proposal was accepted for funding and implementation in 2006-07; and
    - The establishment of an imagery collaborative with representation from across provincial government agencies and from other levels of government. The objective of the collaborative is to economically renew the aerial and satellite imagery of the province.

Develop and implement new central planning and decision-making processes to identify opportunities for cross-departmental collaboration that address similar business functions.

- The development of a central IT governance model and creation of the annual Call for IT Initiatives process facilitated government-wide efficiencies and citizen service improvements by helping departments to identify opportunities for collaborating on IT projects that address similar business and client needs. As a result, a number of IT projects that single departments had initiated for their own business purposes were deferred and are now being explored for their potential enterprise-wide application. This includes a potential new revenue management system that could be utilized by all government organizations that collect fees from clients.

Develop a business process improvement framework and methodology to assist ITO clients with solutions to specific business issues.

- The Business Improvement Framework was developed in early 2006. It includes a vision, goals, values and the roles and responsibilities of departments and the ITO, to help guide efforts to improve program and service delivery. The initial focus of business improvement efforts will be to explore opportunities to integrate government service delivery to improve program effectiveness and efficiency and the government's interactions with Saskatchewan citizens.

Develop a prioritization process to evaluate corporate IT initiatives and ensure that they are aligned with government's strategic objectives.

- A prioritization methodology and set of evaluation criteria were developed over the summer of 2005 to assist IT governing bodies in evaluating major IT initiatives across executive government departments. This process will be used on an annual basis.

Work with Saskatchewan Property Management (SPM) to complete a business case for Voice over Internet Protocol (VoIP) implementation in executive government.

- The ITO developed a pilot project to assess the feasibility of replacing the current government telephone system with newer VoIP technologies. The pilot project has been operating since November 2005 and will be completed in the spring of 2006. Approximately 250 telephone handsets have been replaced with SaskTel-provided VoIP handsets in Saskatchewan Agriculture and Food and Saskatchewan Crop Insurance Corporation offices in Regina, Saskatoon, Outlook, Melville, Moosomin, and Swift Current. The final pilot project recommendations will ultimately depend on the financial model (positive) and

the reliability of the system at the conclusion of the pilot.

Goal 4 - Government's data is protected

Objective 1 – Departments ensure the integrity and security of their data

The government of Saskatchewan is responsible for having the necessary controls to protect government information and citizens' personal data. As a central agency responsible for IT policy, the ITO is responsible to develop government-wide IT security policies and processes, which ensure that government's data and assets are protected.

The ITO is also responsible to ensure that security policies and processes are deployed on cross-government infrastructure, like CommunityNet. The ITO has developed a new security policy based on rigorous international security standards to ensure that its data centre is secure and that security issues for the ITO's clients are addressed. Departments are responsible to ensure that internal processes, which are consistent with government-wide policies, are in place to protect their data and assets.

The Provincial Auditor has commented on government's security policies and processes several times since 1999 and concluded that government must do more to improve IT security. The Provincial Auditor supports initiatives to improve government's data security.

Key Results

Complete implementing operational security processes to support the ITO security policy.

- Developed detailed operational processes and guidelines to support the ITO's Security Policy and Standards, which was developed and approved in 2004.

Engage an independent third party to audit the ITO's new data centre and compliance with its operational security processes.

- Completed an assessment of the ITO's internal security (including vulnerability and penetration testing) to create a baseline of the ITO's current security maturity level. The ITO is working with the Provincial Auditor on a detailed security audit of the ITO environment for a report that will be published in the fall of 2006.

- There have been no significant security breaches resulting in network or system "downtime" over the last year. The ITO has intrusion detection systems and processes – which monitor attempts to access the ITO network – with approximately 15,000 network access attempts being logged every day.

Make sure all departments in the ITO Service Delivery Partnership adopt the ITO's security policy.

- Currently the ITO has signed Security Policy and Standards memorandum of understanding with seven of our service clients. Security agreements are being negotiated and signed with partner departments as they join the partnership.

Develop and implement government-wide security standards.

- The ITO has assumed responsibility for the IT system security of all its partner organizations, providing a better coordinated approach to security procedures and issues. The ITO has developed government-wide security policies using international standards, industry best practices and manufacturers' recommendations. These standards apply to all departments and include:
  - risk management;
  - user access controls;
  - personnel controls; and
  - physical and environmental controls.

- Disaster recovery and business continuity will be addressed in security plans, including audits to make sure security controls are adequately addressing the needs of each department.

Develop and implement a government information security risk management plan.

- The ITO led the development of a Business Continuity Planning Guide for use by government departments. Departments can use the guide to develop their own plans to ensure that business can resume and they can continue to deliver services to their clients in the event of disaster.

- A Computer Security Incident Response team was created that can react quickly to any threats to government computer systems.

- A Privacy Framework was developed that guides all departments in protecting the private information of citizens, businesses and other third parties.

Measurement Results

Hours of downtime caused by security breaches that impact the ITO network.

The 2005-06 baseline is zero hours of downtime.

There were zero downtime hours experienced by the ITO network due to security breaches during the reporting year. The ITO will continue to be diligent in the future to ensure that record is maintained, by enforcing security standards and implementing security measures that are state of the art.

2005-06 Financial Results

Expenditures

The following table outlines information on actual and budgeted expenditures by subvote and subprogram. Variance explanations are provided for all variances that are greater than $50,000.

Program	2005-06 Estimates ($ X 1,000)	2005-06 Actual ($ X 1,000)	Variance ($ X 1,000)	
Central Management and Services				
Executive Management	660	706	46	
Central Services	563	550	(13)	
Accommodation Services	161	165	4	
Subvote Total	**1,384**	**1,421**	**37**	
IT Coordination and Transformation Initiatives				
Information Technology Coordination	1,326	1,357	31	
Office of Geomatics Coordination	244	216	(28)	
Information Technology Transformation	1,203	1,203	–	
Service Transformation	300	256	(44)	
Subvote Total	**3,073**	**3,032**	**(41)**	
Interdepartmental Services	**130**	**262**	**132**	(1)
Services Provided to External Agencies	**–**	**78**	**78**	(2)
Sub Total	**4,587**	**4,793**	**206**	
Special Warrant Funding	**242**			(3)
Total Appropriation	**4,829**	**4,793**	**(36)**	
Capital Acquisitions	–	(12)	(12)	
Amortization	–	80	80	(4)
Total Expense	**4,829**	**4,853***	**24**	

* Includes ($8,100) change in prepaid expense

Explanations for major variances:

(1) IT services are provided to client departments on a cost-recovery basis. The net expenditure in the Interdepartmental Services subvote reflects the cost of providing IT services to the ITO. In 2005-06, there were higher IT costs to support the ITO due to the IT consolidation initiative.

(2) The Services Provided to External Agencies subvote was set up mid-year to record the cost of providing IT services to public agencies. In 2005-06, the ITO provided IT services to the Saskatchewan Grain Car Corporation and Saskatchewan Municipal Board as a continuation of the historical relationship they previously had with other government departments. The cost of providing these services was $78,000. This amount was recovered from the agencies and deposited as revenue in the General Revenue Fund.

(3) Special warrant funding of $69,000 was required to provide IT services to external agencies and $173,000 was required to provide the salary costs associated with transferring seven positions into the ITO from the Departments of Finance (2 positions) and Learning (5 positions). These positions provide corporate functions, so their costs are not recovered from client departments.

(4) Reflects amortization related to core network equipment, which was purchased rather than leased. This equipment provides a secure, reliable and scalable infrastructure to support current and future IT service delivery needs. The equipment was purchased in March 2005 after the 2005-06 budget estimates were finalized.

Revenues

The following table outlines information on actual and budgeted revenues by revenue category. Variance explanations are provided for all variances that are greater than $50,000.

Revenue Category	2005-06 Estimates ($ X 1,000)	2005-06 Actual ($ X 1,000)	Variance ($ X 1,000)	
Other Own-Source Revenue				
Other Miscellaneous Revenue	–	91	91	(1)
TOTAL REVENUE	**–**	**91**	**91**	

(1) Revenues of $79,000 were recorded related to the recovery of costs to provide IT services to external agencies and $12,000 was recorded related to refunds from prior years' expenditures.

For More Information

If you have any questions or comments, or would like additional copies of the 2005-2006 Annual Report, we invite you to call 787-8880 or contact:

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Corporate and Customer Services Branch
8th Floor, 2101 Scarth Street
Regina, Saskatchewan
S4P 3V7

Or send us an e-mail through the Information Technology Office Web site at **www.ito.gov.sk.ca**.

ITO Acts and Regulations

The Minister Responsible for Information Technology is responsible for the following acts and regulations:

- *The Information Technology Office Regulations, December 2004*
- *The Canadian Information Processing Society of Saskatchewan Act, 2005*

Appendix: ITO Organizational Chart